

# InThe Loop

Your magazine of personal finance

September–October | 2020



# Saving for college?

## The 411 on 529s

Developing a niche strategy for your business

Perfecting the contactless customer experience | Prioritize your health

Learn to earn: Money lessons for kids | Host an at-home Halloween party

# A new reality is here...

We continue to live through an unprecedented time. It's very likely that we'll continue putting strategies in place to manage our personal and professional lives around COVID-19—at least for the foreseeable future. As such, this issue is packed with ideas and tactics for staying both personally and financially healthy.

From a business standpoint, being able to serve customers through the pandemic is paramount. So, take a look at our strategies to create a contactless (yet quality) customer experience. Apply these tips to keep your employees and your customers confident and safe.

When it comes to business growth, adopting a niche strategy is often a successful approach. In this issue of *In The Loop*, we detail how to corner a specific niche market. We've also incorporated tips to help you think through picking a 529 plan and improving your general health. From college saving to kids' allowances and proactive health measures for your body, mind and soul...we have you covered.

Because we don't know how long we will be living in pandemic-mode, chances are that many of us will celebrate Halloween a bit differently this year. See our at-home party prep guide to make the most of the spookiest time of the year.

Our firm is here for you. Please contact us with questions or concerns.

Sincerely,

*Your Trusted Advisors*

**From a business standpoint, being able to serve customers through the pandemic is paramount.**

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# Saving for college? The 411 on 529s

Saving for college is something that can never be started too early. Like with any savings plan, 529s represent a long-term commitment and come with things to consider, such as penalties and restrictions. So, before opening a 529 plan, here are a few things to keep in mind...





## Potential gift tax penalty

Individuals are eligible to contribute \$75,000 gift-tax free to a 529 plan when electing a five-year contribution, while couples can contribute \$150,000 tax-free over five years. Be advised that a gift-tax penalty may be imposed on contributions under two conditions: 1) If you make any additional contributions greater than the maximum gift-tax limits within five years and 2) if the contributor passes away before the five-year period has expired.

For those who elect to contribute per single year, the gift tax limits are \$15,000 for an individual and \$30,000 for couples.

## Account fees

All 529 savings plans have associated fees—such as maintenance and enrollment. Be aware that some plan fees are higher than others. For example, plans purchased through a financial agency generally come with a higher upfront cost than plans bought directly through a state provider. Consider fees before making a decision.

## Restrictions and penalties

If you use 529 funds for any non-qualified expense, you will be subject to income taxes and a 10 percent federal penalty. As such, be sure to use funds only for qualified expenses, such as tuition, books and boarding. If you aren't sure if an expense is qualified, be sure to speak to your financial advisor.

## Available time to save

Consider how much time you have to save for college. This will affect your investment strategy and the plan you choose. Be sure to carefully analyze outcomes and investment options for your unique situation to ensure you save enough by the time you need the funds.

## Understand the risk

While investing in a 529 plan is a sound tactic, it's always possible that circumstances will arise that cause you to miss your target savings goal. To avoid this scenario, be sure to carefully monitor the progress of your 529 plan and make any necessary adjustments along the way.

## Be aware of state income tax return benefits

Most states that have an income tax offer a tax benefit for contributing to state provider 529 plans. Additionally, some states offer a benefit regardless of who the 529 plan is through, including Arizona, Alaska, Kansas, Minnesota, Missouri, Montana and Pennsylvania. States that do not offer a tax return benefit include California, Hawaii, Kentucky, New Jersey, Delaware and Maine.

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Be sure to think it through before you open a 529 plan. Of course, don't think too long...your kids will be grown and ready to head off to college before you know it! ■

# Developing a niche strategy for your business

A common path for many businesses is to find a niche market and establish a dominant position. Learn how you can corner a specific industry by meeting unmet needs and solving unique challenges for customers within that niche.



## Choose an available niche market

Niche markets are usually small with limited room, so be sure to research your competitors, the size of the market, and how much of that market might be available to you. If competition is limited and demand seems high, your business concept may be viable.

## Offer a unique product, process or service

One of the best ways to successfully serve a niche market is to be one of the few businesses (or the only one) selling a particular product, process or service. The trick to creating the right product or service is to look for unmet needs and pain points specific to the market you want to serve. Then, create an offering to meet needs and solve challenges. Be sure to perform ample research to uncover specific needs and issues.

## Market, market, market

Marketing is critical for niche businesses to continually build awareness around a product or service. Make sure that part of your marketing plan is focused on educating potential customers on how your product or service can solve their challenges. The more you market, the stronger the relationships you will build among leads—helping to convert them to clients and build inroads to your niche.

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The principles above can help your small business create a strong competitive advantage within a niche market. Even if you already have a strong hold within another market, consider expanding your offerings to tap into new niches and increase your revenue potential. ■

# Riches in the niches

According to [longtailpro.com](https://longtailpro.com), consider a few of the best markets to enter and why:

### Fitness

This market is a huge evergreen niche, so there's lots of potential.

### Beauty and health

This includes products and services that address both men's and women's concerns with body image.

### Mental health

There is more self-awareness today than ever; individuals love to

learn more about themselves and work toward a better life.

### Hobbies

Hobbies of all kinds represent potentially strong niche markets—from sports, gaming, and arts and crafts to home renovations and outdoor activities.

### Food

This is another massive evergreen niche market with a lot of

sub-niches to consider, including gourmet foods, home cooking and everything in between.

### Financial stability

Cultivating a niche as a trusted authority for saving, investing, budgeting and other financial efforts represents another potentially lucrative niche.



Perfecting the  
**contactless**  
customer experience



As concerns around public health and safety continue to rise, so does the popularity of contactless service. In fact, it's highly likely that consumers' appetite for no-contact support will persist post-pandemic. Business owners need to take this seriously, because rest assured that customers are paying attention to how your business has adapted practices and procedures to ensure their safety.

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Some businesses are already well on their way—having implemented technologies and new ways of working to support customers virtually and limit physical interaction. No matter where you are in the journey, the following tips and tactics can help you perfect the contactless customer experience in your business.

### **Make a plan**

Any major change to a business requires proper planning. To start, be sure to map out every touchpoint in your client experience—from initial introduction to your business through product or service delivery. This allows you to view client experience in its entirety, and then adapt points of interaction to support a lower- or no-contact encounter. Your plan can also serve as a road-map for training staff on your company's unique no-contact procedures.

### **Identify needed technologies**

There are so many technologies that support virtual services and support. For example, if you typically meet with clients onsite, implement a leading video conferencing tool, like Zoom or Teams, and meet with clients on-screen instead of on-site. If your business relies on clients being on premise (e.g., retail stores), implement no-touch readers to take payments or apps that allow customers to order and pay ahead of picking up merchandise.

### **Create a personalized no-contact experience**

Perfecting your contactless customer experience isn't just about limiting physical interaction; it's also about keeping your customers' experience positive. Be sure to maintain a level of personalization so consumers don't feel neglected or underserved. For example, if you offer curbside product pickup, leave a thank you note in the customer's packaging or send a follow-up thank you via the mobile app. Be creative in how you stay close to customers without, well...getting too close.

### **Communicate with clients**

Whatever your contactless plan, be sure to stay in close communication with your clients...always! It's a whole new world, and while some clients prefer the no-contact approach, others may be overwhelmed by the stark change. As you proceed with planning your perfected contactless customer experience, make sure you communicate with your clients along the way to keep them in the loop with new procedures and the reasons you are making these changes.

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It's truly a whole new world. The pandemic has changed the business landscape forever, so be prepared to serve your customers in the manner they expect—which is personal, safe and secure. ■



**Learn  
to earn:**

**Money  
lessons  
for kids**

Many kids get an allowance—their first experience with earning money. Make sure to set a good example from the start by setting rules and teaching your children good financial habits that they can take with them into adulthood. Here are a few good tips to keep in mind:

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### ■ **Show them the importance of earning it**

Make sure your kids clean their rooms, help with meals, wash dishes and/or perform other needed chores around the house so they make the connection between income and working for it.

### ■ **Do not withhold allowance as punishment**

The only time your child should not receive an allowance is if they fail to complete assigned chores. If you withhold or reduce allowance for misbehavior at home or school, it only serves to teach them that they can “pay a price” for bad behavior. The best strategy is to be consistent with an established allowance arrangement so that your child learns consistency in earning a wage.

### ■ **Allow kids to earn based on age**

As a general guideline, parents can follow a simple rule: Pay your child weekly the equivalent of their age. If your child is 10, he/she will receive \$10 per week.

### ■ **Don't give advances**

As adults, it's not often that employers give advances on wages, so don't teach your kids that being paid before work is completed is okay. If your child blows through their allowance, hold strong and make them wait until the next “pay day.”

### ■ **Teach your kids to save**

Help your kids understand the importance of saving money. Help them set up a bank account and explain why it's smart to have money for a “rainy day.”

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Giving your child an allowance is a smart way to teach them a strong work ethic, the value of money and the importance of saving for the

future. Starting off by teaching strong financial habits will better ensure your kids are financially responsible throughout life. ■





# Prioritize your health with these strategies



Health has been on everyone's mind these days, and for good reason! It's never been more important to be proactive about your health. Start with this list of tips to incorporate more healthful habits into your life:

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### **Drink more water**

It's just a fact: Water is the healthiest drink out there. So, ditch the caffeinated beverages and pour a cold glass of H<sub>2</sub>O. Add some lemon for added flavor and a squeeze of vitamin C.

### **Take your vitamins and supplements**

While you may have your own mix, important in most diets are multi-vitamins, vitamin D and fish oil. Of course, always check with your doctor before taking any new vitamin or supplement.

### **Walk daily**

Movement is key to good health, and a simple walk is one of the best exercises. Getting outside is another important aspect of the mind-body connection—so be sure to exercise outdoors when you can. In other words: Take a hike!

### **Practice preventative maintenance**

There are many measures of good health. Be sure to keep an eye on key indicators such as blood pressure, cholesterol, vitamin D levels, iron

levels, vitamin B12 levels, blood sugar and others discussed with your physician. Being proactive by getting regular check-ups is another way to ward off unexpected ills.

### **Find your balance**

It is important to keep stress levels low and your work-life balance calibrated to be productive and at peace. Too much stress can create health problems and make you more prone to illness.

### **Sleep well**

Our bodies need adequate sleep. In fact, good sleep is one of the most important things we can do to maintain proper health. Make sure you give yourself time to unwind, and do not eat too much or drink any caffeinated beverages before bed.

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These are just a few basic, but important, preventative health tips that you can use to keep your body, mind and spirit in tip-top shape all year long. ■



# Host an at-home Halloween party



Halloween is likely going to look a lot different this year, so why not make the best of it with an at-home Halloween party? Try these ideas to make it a spooktacular good time:

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### ■ **Pick your theme**

Setting a theme for a party always helps to set the stage. You might want to host a costume, pumpkin carving or scary movie party.

### ■ **Set a date and time**

Decide the date and time for your Halloween party. Even if it's only your immediate family attending, make fun invitations and send them out.

### ■ **Plan your costume**

Around Halloween, it's easy to find costumes for sale online...or you can shop your home and make your own.

### ■ **Do decorate!**

Take some time to come up with some fun decorating ideas. Cover furniture with white sheets to create a ghostly atmosphere. Replace regular light bulbs with colored ones to add a bit of whimsy and a cool effect. You can also go traditional by stringing cobwebs overhead and creepy crawlies on the floor and up the walls.

### ■ **Line up some games**

You could watch movies, have a make-your-own pizza bar or play games. Consider a few fun game ideas such as these:

### **Guess the monster parts**

Set up a few stations where guests have to reach into a box and guess the monster parts inside. Use cold spaghetti for intestines, large grapes for eyeballs, candy corn for teeth, and dried apricots or prunes for ears. Be sure to have wet wipes on hand to clean up all those sticky fingers...and to sanitize.

### **Guess the number of pumpkin seeds in the jar**

Fill a large jar with dried pumpkin seeds. Place a piece of paper next to the jar and have each child write down their guess (don't forget to have them write their name too). You can decorate the jar with a Halloween-themed ribbon. For a different twist, you can also use candy corn instead of pumpkin seeds.

### **Pumpkin bowling**

Use six empty two-liter soda bottles for the pins. You can have kids cut out Halloween shapes from construction paper and glue them to the bottles for decoration. Purchase several hand-size pumpkins to be used as your bowling balls (be sure to remove the stems). Assign a little helper to assist you with resetting the pins. This game is fun for kids of all ages.

### **Boo, boo, ghost**

This is a Halloween version of duck, duck, goose, which is great fun for younger kids. ■

***Have a fabulously frightful party!***



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